

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE)	CASE NO. 8799-L
LITTLE GAS COMPANY, INC.)	

O R D E R

On September 27, 1983, the Commission issued its Order in Case No. 8799 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 25, 1986, Mike Little Gas Company, Inc., ("Mike Little") notified the Commission that its wholesale cost of gas had been increased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective March 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mike Little's notice of March 25, 1986, set out certain revisions in rates which Mike Little proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$13,972 or 22.86 cents per Mcf.

(2) Kentucky West filed an application for increased rates to become effective March 1, 1986, with the Federal Energy Regulatory Commission ("FERC"). This increase is subject to refund.

(3) This Commission has filed a notice of intervention and protest with the FERC concerning this rate increase from Kentucky West in Docket No. RP86-52-000. Mike Little's increase should be approved subject to refund pending the decision in this proceeding.

(4) Mike Little's proposed rates contained a computational error. The new base rate used did not include the Gas Research Institute charge of 1.35 cents per Dth. The effective rates should be those contained in the Appendix to this Order.

(5) Mike Little's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8799 dated September 27, 1983, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after April 14, 1986, rather than March 1, 1986, as Mike Little proposed; 20 days notice must be given for a rate increase.

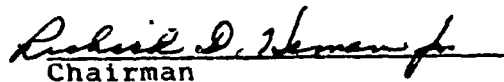
IT IS THEREFORE ORDERED that:

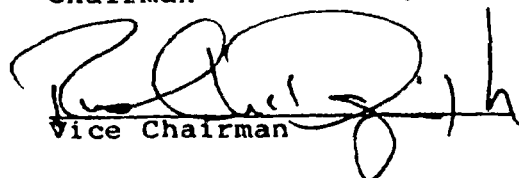
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after April 14, 1986, subject to refund.

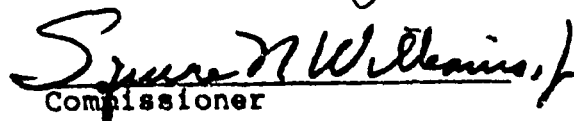
(2) Within 30 days of the date of this Order Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 7th day of April, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8799-L DATED 4/7/86

The following rates and charges are prescribed for the customers served by Mike Little Gas Comany, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf - Minimum Bill	\$5.43 Per Mcf
All Over 1 Mcf	\$5.2199 Per Mcf

The base rate for the future application of the purchased gas adjustment clause of Mike Little Gas Company, Inc., shall be:

Commodity

Kentucky West Virginia	\$2.9375 per Dth
Gas Company	

*Including \$0.0135 Gas Research Institute Funding Charge